REMARKS/ARGUMENTS

This case has been carefully reviewed and analyzed in view of the Official Action dated 27 April 2004. In the current submission, Independent Claims 1, 14, 22, and 30 have been further amended to clarify the Applicant's invention for this Patent Application and to further distinguish the subject invention from the prior art cited by the Examiner.

In the Official Action, Claims 3, 8-10, 14 and 22 (including their Dependent Claims) and Claim 30 were objected to because of informalities found therein. Accordingly, these Claims 3, 8-10, 14, and 22, as well as Claim 30, have been amended precisely in accordance with the Examiner's suggestions. It is believed that the objection applied to these Claims 3, 8-10, 14, 22 (including their Dependent Claims), and 30 can be lifted; and the same is respectfully urged.

In the Official Action, Claims 1-33 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Burke, U.S. Patent #6,112,191 in view of Kalina, U.S. Patent #6,243,688.

Prior to a discussion of the Examiner's objections made in the outstanding Official Action, it is believed that it may be beneficial to briefly review the subject Patent Application system in light of the inventive concept of the Applicant. In the arrangement of the present invention, a customer visits a website of a retailer, makes a purchase, and is

offered, as an option, the Round-It program to provide the customer with a means to save money and receive gain on the saved money. The savings of each customer are created when a purchase has been made by rounding up the purchase price to a whole dollar amount upon the customer's request and approval.

The savings software program of the system of the present invention establishes a rounded account for a customer to which the cash value of the difference between the rounded amount and the retail price is credited either upon the purchase being made or periodically (daily/weekly/monthly) from the retailer's website. Simultaneously, the savings software program establishes an internal account database in the Round-it.com website where all information about the transaction between the client and the retailer, as well as interaction between the retailer at the bank or other financial institution are recorded.

The bank, or other financial institution, in turn deposits the savings of the plurality of customers into a single merging account for periodic investment into a single mutual fund owned by a plurality of customers. As in most investment entities, an investment product may be acquired (e.g., an account with the investment entity may be opened) starting from a certain initial monetary level. The savings software program of the present invention has the ability of gathering the savings of a plurality of customers and

depositing them into a single merging account. The information about the status of the account with the investment entity, interest earned, etc., is transferred to an internal account database and is recorded in order that upon the customer's request, all information about his/her share in the single account and/or with the investment entity can be submitted to the customer.

The bank, under supervision of the savings software program, establishes, for a plurality of customers, a single merging account to which the combined savings of all customers are deposited.

An account with an investment entity usually can only be opened at a certain minimum monetary level which is determined by the investment entity. The saving generated upon a single purchase or even over several purchases of a single customer generally does not have a buying power sufficient to acquire an investment product for a single customer. The present invention offers a distinct approach which permits investment of even small savings generated as the result of a purchase, no matter how insufficient it may be in comparison to the minimum monetary level of an investment product. It is an important feature of the present invention that such permits a customer to start gaining profit on small savings as soon as purchases have been made by the customer. For this purpose, the system and method in question gathers the savings of a

plurality of customers and deposits them into a single merging account shared by the plurality of customers and established either with the bank or with the investment entity. Such a merging account with an investment entity or with a bank to which savings (differences) of all customers are deposited permits a rapid investment of the "round up" savings. Such an approach of buying a single collective (merging) investment vehicle for a plurality of customers by means of combining the buying power of savings of a plurality of customers not only benefits the customers, but it also can boost the economy of the Country by returning money into circulation in an expedited manner.

The Burke reference cited by the Examiner is related to a system designed to create and distribute excess funds from consumer spending transactions. Burke discloses a network of point-of-sale terminals (POS) in the spending/saving system consisting of subscribers/payors (SPs), who tender their payments exceeding transaction values during transactions at a retailer's POS terminal. The differences (or excess funds) between the payments and the transaction values (or retail prices) are calculated by the POS terminals or ECRs (electronic cash registers) and are deposited in an internal payor's account maintained by the retailers for each payor (customer). Upon reaching a predetermined monetary level, the total transaction file stored in the merchant/collector (MC) terminal is batched "on line" to the clearing house's central computer (CCC). The files transferred

to the CCC contain details of each deposited transaction by the identification of the account, the amount of the deposit, the date, and the terminal that accepted the deposit.

As described in Column 3, Line 65 – Column 4, Line 10, in Burke, at the level 1 thereof, the subscriber/payor (SP) tenders an excess financial payment to level 2, merchant/collector (MC). They (MC) in turn enter the amount of the excess payment in the electronic cash register/remote terminal which then sends the funds and data by communication system to level 3 which is the Clearing House Central Computer (CCC). Level 3 assigns the funds to an account previously opened by level 1 (SP) through services provided by level 3. The funds are then subsequently forwarded after reaching the selected threshold by EDI (electronic data interface) transfer to level 4 which is the provider accounts selected by level 1 SP.

As described in Column 4, Lines 30-43, at level 3, the clearing house central computer (CCC) segregates the transaction provider accounts. The data and funds are then forwarded (after reaching the selected threshold) by EDI (electronic data interface) transferred to the level 4 provider for account management and final distribution.

The central clearing house computer (CCC) assumes a communication role with the customer by asking the customer to enter his/her personal identification PIN, determining if the PIN matches the card number, determining if the card contains a

sufficient balance to cover the amount due, and withdrawing the money from the card account and crediting it to the account of the establishment.

It is respectfully submitted that Burke fails to suggest, disclose, or render obvious the principles of the present invention. Specifically,

A. In Burke, the Central Clearing House Computer does receive funds and data or the "additional amounts" offered by a plurality of payors. However (as contrasted by the present invention) in Burke's arrangement, the CCC is not for combining a buying power of a plurality of "additional amounts", but merely manages these "additional amounts" to be further invested (on Level 4) into individual accounts (each account per a respective customer) once reaching a predetermined threshold. The CCC assumes the function of the account manager of each separate customer (Column 4, Lines 14-15), and does not and is not intended to represent an investment product owned and shared by a plurality of payors.

Opposingly, in the present invention, the merging account corresponds to an investment product which is acquired by merging the buying powers of "savings" of a plurality of customers. The merging account is owned and is shared by the plurality of customers. The merging account of the present invention system does not and is not

intended to function as an account manager, and/or used to communicate with the customers (as is necessary in Burke).

B. In Burke, in contrast to the present invention, the CCC segregates the transactions (Column 4, Lines 36-37) into individual accounts each associated with a separate customer to be further credited to individual surplus accounts, once individual accounts reach respective thresholds.

While in the present invention, to the contrary to Burke, the merging account combines the savings of the payors to be credited into a single investment product.

It is clear that Burke teaches away from the main principles of the present invention, since Burke, in contrast to the collective approach of the present invention is based on individualized investment approach wherein the CCC separates surplus funds into individual surplus accounts for further individual investments when a predetermined threshold is reached.

With respect to Kalina, another reference cited by the Examiner, this Patent is related to an Internet-based purchase credit award interchange system for converting purchase credit awards through credit exchange systems for purchase of an investment vehicle. In Kalina, pre-assigned purchase credit accumulations earned by a consumer are

exchanged from a merchant or creditor through combination of credit cards, coupons, stamps, proof of purchase, etc., for an investment in mutual funds or other investment vehicles. Upon a purchase being made by a customer, the purchase award account which is an individual account of the consumer is credited with these credit awards. The credit awards are accumulated in the account of the customer until reaching a predetermined level. Only at this time may an ownership in the investment vehicle be purchased for this customer with a credit award in the account.

It is respectfully submitted that in addition to failing to disclose the "Rounding-up" approach, Kalina's arrangement dramatically differs from the present invention. Specifically, the basic concept underlying the Kalina's system is focused exclusively on an individualized approach to investment of saving. In Kalina, in contrast to the present invention, the savings of each single customer are collected in his/her personalized account for a plurality of purchases he/she has made until a predetermined threshold has been reached which is sufficient to acquire an investment vehicle. It is readily understood by those skilled in the art, that the "collecting" in Kalina takes an extended time to reach a predetermined threshold of an individual account which would then be sufficient to buy an investment product for a single customer. Only when a buying power of a customer's award account reaches the threshold level, is ownership in the investment

vehicle acquired. Upon purchasing an investment vehicle, the customer obtains his/her individual "customer investment account" (Column 4, Line 65) in the investment entity associated with the investment product.

A customer has two accounts: one customer award account 72 and another customer merchant account in the investment center 82. Both of these accounts are individual accounts meaning that the customer does not share his/her account with other customers.

While in the present invention, in contrast to Kalina, a plurality of customers have their savings combined in a merging account which is not an individual account (as in Kalina) but to the contrary, is shared by the customer with a plurality of other customers participating in the Round-it program. The merging account is established for a plurality of customers, and savings are transferred to this collective (merging) account for further investment into an investment product owned by the plurality of customers.

It is readily apparent that the present invention provides for a system and method in which, due to the merging the savings of a plurality of customers participating in the patronage incentive system, the savings of each customer do not have to be collected on a personalized account of each customer until the initial monetary level of the investment is reached by the individual customer as is necessary in Kalina. The rapid investment of the

savings of a customer is possible due to the combining the savings with the savings of other participating customers which permits acquisition of an investment product with an investment entity by all participating customers rapidly after making a purchase independent of any minimum monetary level of the investment product. This approach not only provides benefits to participating customers, but may also contribute to the improvement of the National economy by injecting money into circulation in an expedited manner. In Kalina's arrangement, as clearly presented in Column 2, Lines 30-35, as well as Column 4, Lines 50-65, and in Column 6, Lines 15-23, when a preassigned award accumulation level has been reached, then an investment vehicle is purchased for a customer. In this fashion (in Kalina) the savings are transferred to the individual investment accounts dependent on the minimum monetary level of the investment product, and only upon reaching this level.

It is respectfully submitted that both references cited by the Examiner, Burke and Kalina, taken individually or in combination thereof, fail to suggest or render obvious the account which is established with an investment entity as a merging (collective) account which is shared by a plurality of customers of the Round-it system. This novel approach permits investment of the savings generated upon making purchases by the customers into the investment product in expedited manner due to the collective buying power of

the savings of a plurality of customers participating in the Round-it program. This inventive step is one of the great advantages of the present system by means of which each of the customers avoids the unwanted "idle" period on his/her personalized account until the predetermined threshold level (e.g., the monetary level sufficient for opening an account with investment entity) has been reached. The savings created upon purchases have been made by a customer are combined with the savings of the other customers and are transferred to the investment vehicle independently of how insufficient the buying power of an individual saving of a customer in comparison to the minimum monetary level of the investment vehicle may be.

The Examiner suggested a combination of Kalina and Burke to result in the arrangement of the present invention. It is respectfully submitted that modification of Burke even in combination with Kalina fail to disclose a merging account established for a plurality of customers which is shared by the plurality of customers. Both references teach away from collective ownership of the investment product as they are based on principles of segregation of funds into individual surplus accounts.

Arguendo, even if the teachings of Burke and Kalina are combined, such a combination will fail to suggest, disclose, or render obvious the arrangement where a merging account is shared by the plurality of customers and where the differences

between the rounded price amount and the retail price amount of purchases made by a plurality of customers are merged together and are invested in the investment product owned by the plurality of customers.

Accordingly, Claims 1, 14, 22, and 30 have been amended to clearly emphasize the distinguishing features of the present invention over the cited prior art taken individually or in combination thereof. Specifically, Claims 1, 14, 22, and 30 now cite (inter alia):

"...a merging account containing combined differences between said rounded price amount and said retail price amount for said plurality of customers...", and "...said merging account being shared by said plurality of customers...".

It is respectfully submitted that these features have not been found neither in Burke nor in Kalina, taken either independently or in combination.

It is believed that the combination of elements, as now claimed by the Applicant in Claims 1, 14, 22, and 30, as amended, provide patentable distinctions over Kalina and Burke, et al., combined or individually. The claimed combination of elements of Claims 1, 14, 22, and 30 is <u>simply not found for the purposes and objectives disclosed in the subject Application even when Burke and Kalina references are combined</u>. Accordingly,

Claims 1, 14, 22, and 30 are believed to be allowable over Burke and Kalina references; and the same is respectfully urged.

Dependent Claims 2-13, 15-21, 23-29, and 31-33 directly or indirectly depending upon Claims 1, 14, 22, and 30, each add further limitations that are patentably distinct in addition to being dependent upon what is now believed to be a patentable base Claims 1, 14, 22, and 30, and, therefore, allowable for at least the same reasons. It is therefore now believed that the subject Patent Application has been placed in condition for allowance, and such action is respectfully requested.

Respectfully submitted,

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